

On behalf of AFSCME Local 4041, I would like to express our opposition to the proposed expansion of managed care services/privatization within the Department of Health and Human Services.

We believe that state employees who have been providing services to Nevada's population whether it be in the areas of Aging Services, Mental Health, Division of Child and Family Services and so on, do an excellent job often times in very difficult circumstances. As many of the members of this committee know, state employees have endured furloughs, staff shortages due to hiring limitations, agency budget cuts and yet they still have managed to provide quality care to the sector of the public they serve, whether it is the mentally or developmentally disabled individuals, children and youth behavioral and mental health services or aging services. We commend our state employees for the jobs they do in the most stressful times.

There are many documented cases of how privatization of public services has been negatively impacted in this country. In Iowa in 2015 after the Governor abruptly closed two state mental health institutions for cost savings, three patients died within two months of being transferred to private facilities. This story was covered in the Des Moines Register on August 12, 2015. In Texas last year, a plan to privatize a state psychiatric hospital was halted after a scathing audit targeted that state's health commission for bypassing its own contracting procedures. That story was covered in the Texas Tribune from March 25, 2015.. And, in 2015 the State of Florida released findings of an operational audit of the privatization of mental health services which reflected negatively on the contractors. Right here in Nevada, the privatization of the Summit View Youth Correctional Center was a failure. These are just a few recent instances of failed efforts to privatize state services.

Most state employees working in the various Divisions of the Department of Health and Human Services have committed their lives to working with needy families, with youth, with seniors and those with mental and developmental disabilities. They provide the type of care and the attention this population so deserves and they are proud of the work they do. They know that they are held accountable by the state and by the communities where they reside in addition to the families of those who they provide services to.

While privatization , outsourcing or whatever you call it is being promoted as a cost savings and a way to improve services, in reality, privatization often fails, especially when social and human services is turned over to contractors. Those contractors' number one incentive is almost always to make short term profits without even considering the long term public interests of the citizens. That is not good for the communities or those who need to access services.

The list is long and we hope that when looking at the big picture, you also look at those states that have experimented and failed in their efforts at privatization. We have access to much of that information and would be happy to share that with you.

If you are considering the cost of contracting services, also consider bolstering the budgets of the agencies whose employees have been providing those services for years. We would also recommend that you involve AFSCME staff and/or state workers to serve on any task forces or study committees to share ideas for improvement of services without additional costs or to provide input for any cost savings suggestions they may have. The true commitment of state employees and their desire to work with the various populations within DHHS should mean something to all of you and to this state. Most importantly, state employees are not in their jobs to make a profit!

Thank you.